



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



IN REPLY REFER TO:

3590

UTU0126939

(UT-920)

AUG 8 2005

CERTIFIED MAIL--Return Receipt Requested
No. 7003 2260 0002 0239 9346

Mr. Gordon Ziegler
Ziegler Mineral and Chemical Corp
366 North Broadway, Suite 210
Jerico, New York 11753

Re: Modified Explorations Plan Approval, Federal Gilsonite Lease UTU-0126939

Dear Mr. Ziegler:

MODIFIED EXPLORATION PLAN APPROVAL

Background- The Bureau of Land Management (BLM) Utah State Office, received your revised exploration plan on March 15, 2005. A Determination of compliance with the National Environmental Policy Act (NEPA) Adequacy (DNA No.UT-080-2005-296) was written in response to your exploration plan. This exploration plan approval document constitutes the authorization granted under 43 CFR 3590 for conducting your exploration plan on the Federal gilsonite lease. The lessee is responsible for abiding by the exploration plan as analyzed including all mitigation and stipulations incorporated as part of the mine plan and the exploration plan approved on October 26, 1998. This approval does not constitute any approvals required by the Division of Oil, Gas and Mining or any other permits necessary to commence operations.

Approval- The exploration plan is approved for Federal gilsonite Lease UTU-0126939 located on the Independent Vein. The exploration plan includes 3 angle holes on the following sites:

Site 1 N 40° 02.711' W 109° 13.743'

Site 2 N 40° 02.792' W 109° 14.008'

Site 3 N 40° 02.867' W 109° 14.184'

Site 4 N 40° 02.794' W 109° 14.377'

The following additional conditions of approval will apply to this action:

Conditions of Approval-

1. Within 30 days after the completion of the drilling, BLM will require the lessee to submit logs of the drill holes and any test results of the gilsonite quality in accordance with 43 CFR 3593.1.

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DIV. OF OIL, GAS & MINING

2. The lessee shall notify the Vernal Field Office Geologist (Mr. Pete Sokolosky at 435-781-4501) and the State Office Mining Engineer (Mr. Stan Perkes at 801-539-4036) 2 working days prior to the start of drilling and hole plugging. This shall be done in order to facilitate BLM's requirement to inspect the operation and witness the plugging of the holes.

Bond- There is very little to no surface impact to this plan. There is no need to separately bond this action. The Lessee has a \$120,000 bond in place. It appears that BLM has sufficient bonding to cover the liabilities for reclamation, rentals and royalties. BLM may adjust the bond amount at any time.

Appeal Rights- You have 30 days to appeal this approval to the Board of Land Appeals, Office of the Secretary, in accordance with the regulation at 43 CFR Part 4 and Form 1842-1 (enclosed). If an appeal is taken, your notice of appeal must be filed in this office within 30 days following the date of this approval. The appellant has the burden of showing that the decision appealed from is in error. If you wish to file a petition pursuant to regulation 43 CFR 4.21 (58 FR 4939, January 19, 1993) for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and the petition for a stay must also be submitted to the Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulations, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied,
- (2) The likelihood of the appellants' success on the merits,
- (3) The likelihood of immediate and irreparable harm if the stay is not granted, and
- (4) Whether the public interest favors granting the stay.

For further information contact Mr. Stan Perkes, (801) 539-4036.

Sincerely,

JAMES F KOHLER

James F. Kohler
Chief, Solid Minerals Branch

Enclosure

1. Form 1842-1 (1 p)

bcc: Central Files

Vernal Field Office

✓ Utah Division of Oil, Gas, and Mining (Attn. Paul Baker) P.O. Box 145801, Salt Lake City, Utah, 84114-5801

Mr. Stan Wagner, Ziegler Chemical Corporation, Star Route, Vernal Utah, 84078
Mine Files - UTU-0126939

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